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ABSTRACT

This publication is the second in a series of annual updates of U.S. statistical data about young children (under 6 years old) and their families living in poverty. It builds on "Five Million Children: A Statistical Profile of Our Poorest Young Citizens," and incorporates new statistical data from the 1991 March Supplement to the Census Bureau's Current Population Survey (CPS) into the framework established in the "1991 Update." Data estimate family poverty status for 1990 as measured by the federal poverty line, which is adjusted for annual cost-of-living increases and scaled to family size, but not for geographic location. Focus is on who poor children are and where they live. In 1990, the poverty line was $10,419 for a family of 3, and $13,359 for a family of 4. Over the past decade, poverty rates increased significantly for young children; in 1990, about 1 out of every 4 young children lived in poverty. After dramatic growth in the early 1980s, the number of poor young children has remained at about 5 million or above each year. About one-third of all young children in 1990 were minorities; however, 58 percent of poor children were minorities. Poverty rates for young children are highest in urban areas. Parental employment status and earnings, family structure, and parental education are interrelated factors that help explain why more than 5 million young children are poor. Three tables and 13 figures are included. (RLC)

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Five Million Children:

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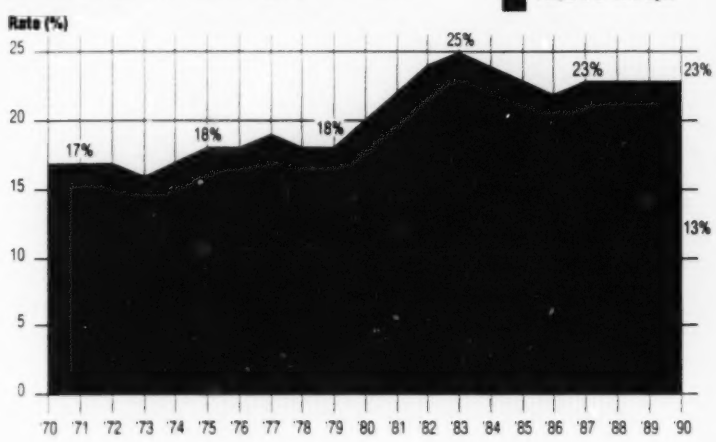
This publication is the second in a series of annual updates of statistical information about young children and their families living in poverty in the United States. It builds on the report *Five Million Children: A Statistical Profile of Our Poorest Young Citizens*, and it incorporates new statistical information from the 1991 March Supplement to the Census Bureau's Current Population Survey (CPS) into the framework established in the *1991 Update*. These data provide an estimate of family poverty status for 1990 as measured by the federal poverty line, which is adjusted for annual cost-of-living increases and scaled to family size, but not adjusted for geographic location. In 1990 the poverty line was $10,419 for a family of three, and $13,359 for a family of four.*

Poor Children Under Six: Who Are They, and Where Do They Live?

Over the past decade poverty rates have increased significantly for children under six, while remaining more or less stable for other people. In 1990 nearly one out of every four children under six lived in poverty.

From 1970 through 1979 the poverty rate** for children under six was relatively stable at about 17 percent, while the poverty rate for people of all other ages was stable at about 12 percent. The poverty rate began rising in 1980 and peaked in 1983 at 25 percent for young children, and at 14 percent for all others. Despite improving economic conditions between 1983 and 1989, the poverty rate for children under six declined only slightly, to 23 percent, and the poverty rate for all other people declined to around 13 percent. In 1990, the poverty rate for children under six remained at 23 percent. (See Figure 1.)

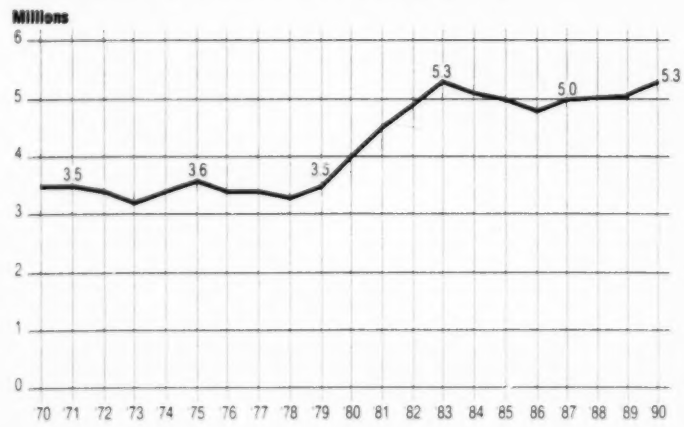
Figure 1: Poverty rates comparing children under six with people of all other ages, 1970–1990



In the 1970s the number of poor children under six was fairly stable. Following a period of dramatic growth in the early 1980s, the number of poor children under six has remained high—at about five million or above each year.

Trends in the number of children under six living in poverty closely parallel trends in poverty rates. Between 1970 and 1979 the number of children under six living in poverty was fairly stable at about 3.5 million. From 1979 to 1983 the number of poor children under six grew by more than 50 percent, to 5.3 million. Since 1983 the number has remained high. In 1990, there were 5.3 million poor children under six in the United States. (See Figure 2.)***

Figure 2: Number of poor children under six, 1970–1990



** Differences between findings in the 1991 and 1992 Updates should not be interpreted as statistically significant unless expressly stated.*

*** The poverty rate is the percentage of people in any group who are poor—those with incomes below the federal poverty line.*

**** These estimates do not reflect data concerning unrelated or foster children. In 1990, roughly 90,000 unrelated or foster children lived with caretaker families whose incomes were below the poverty line.*

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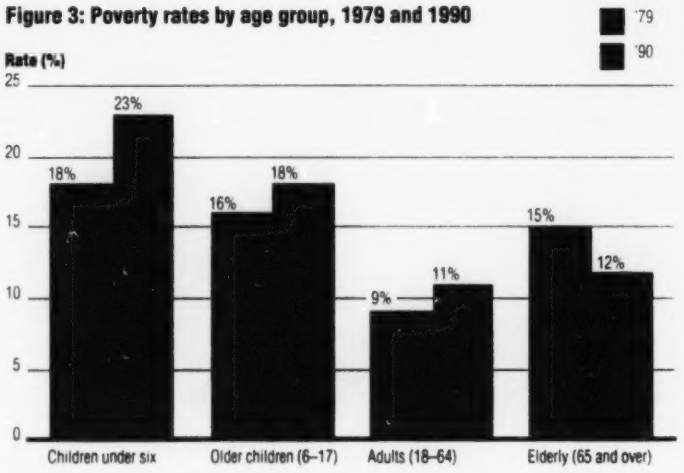
Children under the age of six are more likely to be poor than any other age group.

The 23 percent poverty rate for children under six in 1990 was higher than the rate for any other age group in the United States. It was more than double the rate for adults aged 18–64, nearly double the rate for the elderly, and substantially higher than the rate for older children. (See Figure 3.)

In the eleven-year period between 1979 and 1990, poverty rates increased for all age groups except the elderly. The poverty rate for children under six increased by 28 percent, while the poverty rates for older children and adults grew by 13 percent and 22 percent, respectively. Among the elderly, people 65 and over, the poverty rate actually declined by 20 percent. (See Figure 3.)

Figure 3: Poverty rates by age group, 1979 and 1990

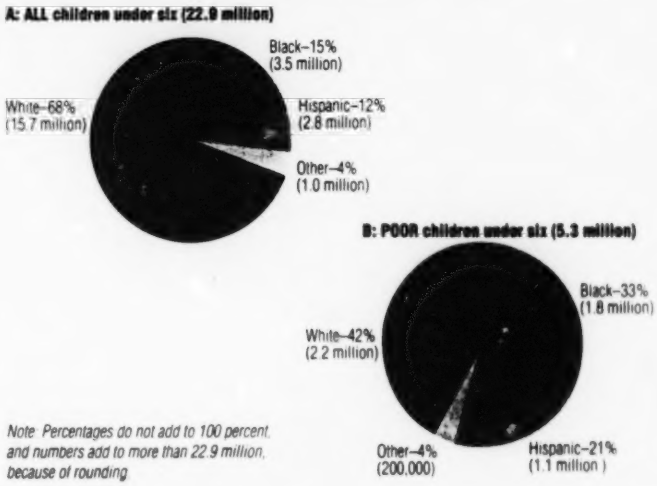


About one-third of all children under six in 1990 were minorities. However, 58 percent of poor children were minorities.

Of the 22.9 million children under six in 1990, 68 percent (15.7 million) were non-Hispanic white children, and almost 32 percent (7.3 million) were minorities—15 percent non-Hispanic black (3.5 million), 12 percent Hispanic (2.8 million), and 4 percent members of other racial or ethnic groups, such as Asian and Native American (1 million). (See Figure 4A.)

In contrast, of the 5.3 million *poor* children under six in 1990, only 42 percent (2.2 million) were non-Hispanic white, while 58 percent (3.1 million) were minorities—33 percent non-Hispanic black (1.8 million), 21 percent Hispanic (1.1 million), and 4 percent members of other racial or ethnic groups (200,000). (See Figure 4B.)

Figure 4: Percentage and number distribution of all children under six and of poor children under six by race/ethnicity, 1990

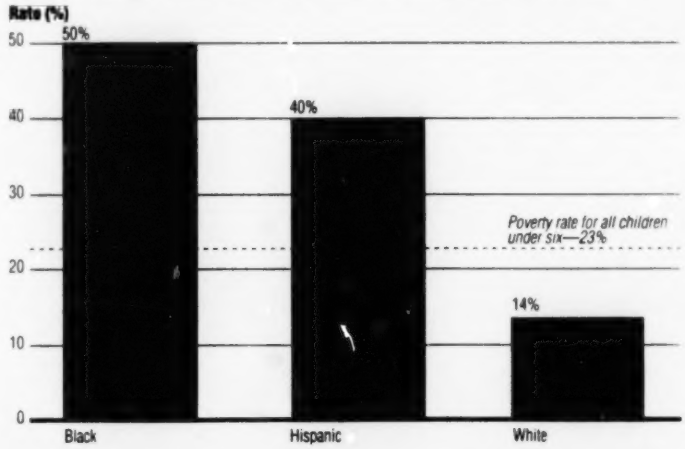


Note: Percentages do not add to 100 percent, and numbers add to more than 22.9 million, because of rounding.

Minority children are much more likely to be poor than white children.

Poverty rates vary greatly for different racial/ethnic groups. In 1990 the poverty rate for non-Hispanic black children under six was 50 percent. *This rate remained at the same level as 1989, the highest level it has been since the Census Bureau began reporting this information in 1960.* For young Hispanic children, the poverty rate was 40 percent. The proportion of non-Hispanic white children under six living in poor families was 14 percent in 1990. (See Figure 5.)*

Figure 5: Poverty rates for children under six by race/ethnicity, 1990



* *Estimates of poverty rates for other non-Hispanic and non-black minority children are not included in this year's Update. The number of these children in the Current Population Survey sample is too small to permit reliable estimates.*

Children under six living with single mothers are much more likely to be poor than those living with two parents. Even so, 40 percent of poor young children lived in married-couple families in 1990.

In 1990 children under six living with single mothers were nearly *five* times as likely to be poor as those living with two parents. The poverty rate for young children with single mothers was 59 percent, compared with 12 percent for those with two parents. (See Table 1.)

Since the mid-1970s the proportion of poor children living with single mothers has been increasing. By 1990 well over half of all poor children under age six lived with single mothers, while 40 percent lived with two parents. (See Table 1.)

Table 1: Distribution of all children and of poor children under six by family type, 1990

Family type	All children under six		Poor children under six		Poverty rate
	Number (in millions)	%	Number (in millions)	%	%
All	22.9	100	5.3	100	23
Married-couple	17.2	75	2.1	40	12
Single-parent*	5.8	25	3.2	60	55
Mother-only	5.1	22	3.0	58	59

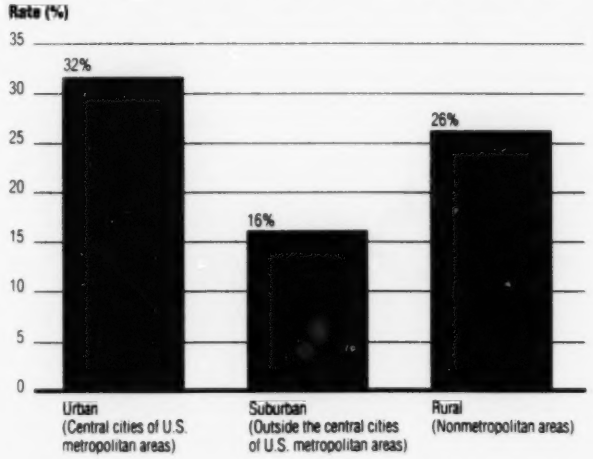
** Includes children living in father-only, mother-only, and relative-only families. The CPS sample only provides reliable estimates of poverty rates for children living in the dominant form of single-parent families—single-mother families.*

Poverty rates for young children are highest in urban areas.

In 1990 the poverty rate among children under six living in urban areas was 32 percent, compared with 16 percent in suburban areas and 26 percent in rural areas. (See Figure 6.) These estimates reflect adjustments for 800,000 poor children under six and 2.8 million nonpoor children under six whose residence codes the Census Bureau did not make available. The adjustments are based on Census Bureau data regarding the probable residential distribution of households with unavailable residence codes.

Out of the 5.3 million poor children under six in 1990, 42 percent (2.2 million) lived in central cities, 34 percent (1.8 million) lived in suburban areas, and 24 percent (1.3 million) lived in rural areas.

Figure 6: Poverty rates for children under six by residence, 1990

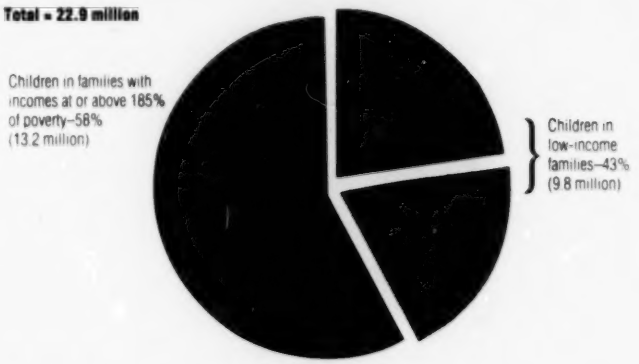


More than four out of every ten children under age six lived in low-income families (poor and near-poor) in 1990.

In 1990, 9.8 million children under six lived in low-income families, those with incomes under 185 percent of the poverty line. (See Figure 7.)

That year an income at 185 percent of the poverty line—$19,275 for a family of three—was roughly half the median income—$36,765 for a family of three. An income below 185 percent of poverty would qualify a family of three for some federal assistance programs—for example, WIC (Special Supplemental Food Program for Women, Infants, and Children) and EITC (Earned Income Tax Credit).

Figure 7: Percentage and number distribution of all children under six by income/poverty ratio, 1990


Total = 22.9 million
Children in families with incomes at or above 185% of poverty–58% (13.2 million)
Children in low-income families–43% (9.8 million)

Note: Percentages do not add to 100 percent, and numbers do not add to 22.9 million, because of rounding.

Poor Children Under Six: Why Are They Poor?

Several interrelated factors help to explain why more than five million young children are poor. Chief among them are the following:

- **Parental employment status and earnings**
- **Family structure**
- **Parental education**

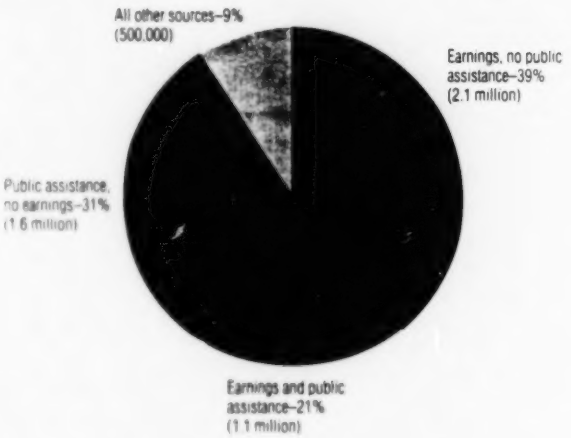
The following section examines the effects of these factors on the poverty status of children under six and their families.*

Employment and public assistance do not guarantee that families will not be poor.

Receipt of public assistance does not prevent poverty. Virtually all children under six whose parents receive public assistance and have no earnings from employment are poor. In 1990, some 31 percent of all poor children lived in families who relied on public assistance alone for income. (See Figure 8.) Public assistance subsidies alone, which vary in amount on a state-by state basis, do not raise family incomes above the poverty line. In 1990 the typical state maximum AFDC (Aid to Families with Dependent Children) cash subsidy for a family of three was about $364 per month, or 42 percent of the poverty line that year.

While earnings from employment offer the primary hope for escaping poverty, parental employment does not ensure that children and families avoid poverty. Labor market conditions, family structure, education, and wage rates all affect how much a family can earn. In 1990, 39 percent of all poor children under six lived with parents who supported their families with employment earnings only and no public assistance. Some 21 percent of poor children lived in families with income from both employment and public assistance; however, the combined income from these sources did not bring these families out of poverty. (See Figure 8.) This may be because AFDC benefits are reduced as earnings increase.

Figure 8: Percentage and number distribution of all poor children under six by sources of family income, 1990



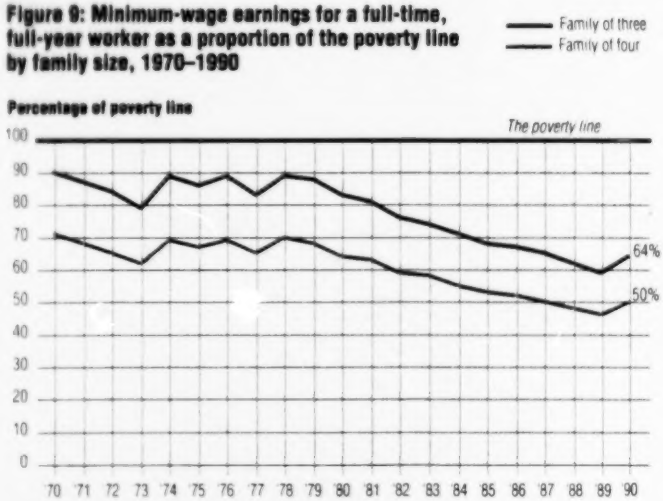
Note: Public assistance means Aid to Families with Dependent Children (AFDC) and General Assistance (GA).

Not even full-time employment guarantees that families will not be poor.

At the 1990 minimum wage (raised to $3.80 per hour in April 1990), full-time, year-round employment produced roughly $6,650 (assuming 1,750 hours of work per year). This was a pre-tax income equivalent to 64 percent of the poverty line for a family of three, and 50 percent for a family of four. (See Figure 9.)

In 1990 any family with one full-time, year-round, minimum-wage-earning parent and at least one child would have been poor. That year a family of three would have needed one full-time, year-round worker earning at least $5.95 per hour to avoid being classified as poor.

Figure 9: Minimum-wage earnings for a full-time, full-year worker as a proportion of the poverty line by family size, 1970–1990



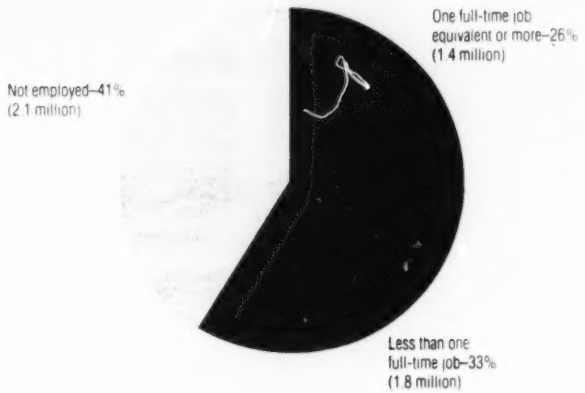
** The results of the 1991 and 1992 Updates are not comparable in the following section regarding employment, family structure, and educational status due to changes in variable construction from last year to this year. Changes in construction should provide a more accurate picture.*

More than one-quarter of all poor children under six live with single parents who work full-time or with married parents who together work the equivalent of one full-time job or more.*

In 1990, 26 percent of all young, poor children had parents who worked the equivalent of a full-time job. Some 33 percent had parents who worked less than a full-time job, and 41 percent had parents who were not employed at all. (See Figure 10.)

Children under six whose parents work a full-time job or more are much less likely to be poor than children with parents who work less than full-time. In 1990 the poverty rate among children under six with parents who worked the equivalent of a full-time job or more was 8 percent; among children whose parents worked less than full-time, the rate was 53 percent. The poverty rate was 78 percent among children under six living with parents who were not employed.

Figure 10: Percentage and number distribution of poor children under six by combined parental employment status, 1990

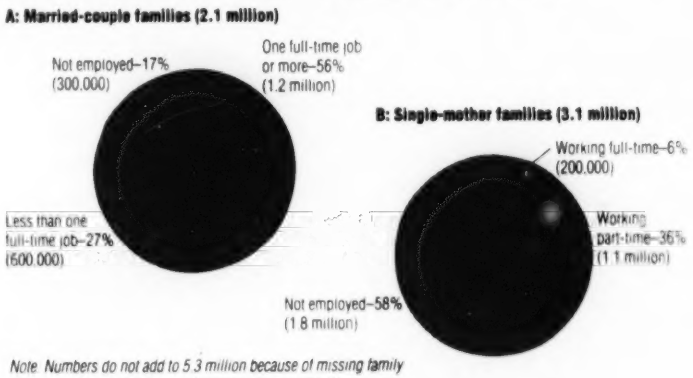


In 1990, 56 percent of poor young children with married parents, and 6 percent of those with single mothers, had parents working the equivalent of at least one full-time job.

Among poor children under six living in two-parent families in 1990, 56 percent had parents who together worked the equivalent of one full-time job or more, and 27 percent had one parent employed part-time. Only 17 percent of such children lived in families where both parents were not employed. (See Figure 11A.)

Among poor young children living with single mothers in 1990, 6 percent had full-time working mothers, 36 percent had mothers who worked part-time, and 58 percent had mothers who were not employed. (See Figure 11B.)

Figure 11: Percentage and number distribution of poor children under six by family type and parental employment status, 1990


A: Married-couple families (2.1 million)
Not employed–17% (300,000)
One full-time job or more–56% (1.2 million)
Less than one full-time job–27% (600,000)
B: Single-mother families (3.1 million)
Working full-time–6% (200,000)
Working part-time–36% (1.1 million)
Not employed–58% (1.8 million)

Note: Numbers do not add to 5.3 million because of missing family types, such as single fathers, other relatives, or nonrelatives.

Children living in married-couple families benefit from having two parents who can contribute income from employment.

Among children under six living with single mothers in 1990, 16 percent were poor despite the fact that their mothers worked full-time. Likewise, 16 percent of young children living in two-parent families with income from only one full-time job were poor. However, the poverty rate for young children in married-couple families dropped to 3 percent when both parents were employed and together working the equivalent of more than one full-time job.

Among children under six living in two-parent families with incomes from less than a full-time job, 45 percent were poor in 1990. In comparison, 60 percent of children living with single mothers who worked less than a full-time job were poor. Some 76 percent of children in married-couple families whose parents were not employed were poor, compared to 80 percent of children residing in single-mother families whose mothers were not employed. (See Table 2).

Table 2: Number and percentage of all children under six, and poverty rate, by family type and combined parental employment status, 1990

Family type and parental employment status	All children under six		Poverty rate
	Number (in thousands)	%	%
Married-couple family	**17,151**	**100**	**12**
More than one full-time job	9,325	54	3
One full-time job	6,097	36	16
Less than one full-time job	1,270	7	45
Not employed	458	3	76
Single-mother family	**5,132**	**100**	**59**
One full-time job	1,087	21	16
Less than one full-time job	1,823	36	60
Not employed	2,222	43	80

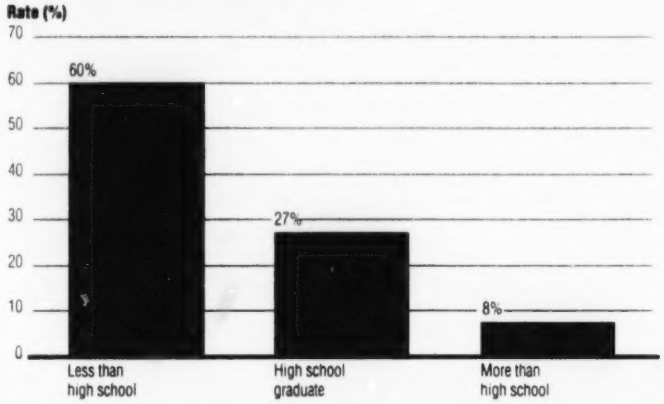
Note: Numbers do not add to 22.9 million (all children under six) because of missing family types, such as father-only, relative-only, or nonrelatives-only families. Percentages do not add to 100 percent because of rounding.

** For the purpose of this statistical Update, two parents who each work part-time are defined as working the equivalent of one full-time job.*

Young children with better-educated parents are much less likely to be poor.

The poverty rate among children under age six whose parents had less than a high school education was 60 percent, compared with 8 percent among those children who had at least one parent with more than a high school education. The poverty rate was 27 percent among children with at least one parent who had graduated from high school, indicating that a high school diploma by no means assures a decent standard of living in the United States. (See Figure 12.)

Figure 12: Poverty rates for children under six by educational level of the better-educated parent, 1990



Better-educated parents are more likely to be employed and to earn enough to avoid poverty.

Individuals with higher levels of education generally have more job opportunities, higher wages, and greater job security than those with lower levels of education. In 1990, among children under six living in families whose better-educated parent had not graduated from high school, 36 percent had parents who, alone or together, worked the equivalent of one full-time job or more. The poverty rate for this group was 32 percent. Among those children under six whose better-educated parent was a high school graduate, 69 percent had parents who worked the equivalent of one full-time job or more. The poverty rate for this group was 12 percent. Among young children in families whose better-educated parent had more than a high school education, 89 percent had parents who worked the equivalent of one full-time job or more. The poverty rate for this group was 3 percent. (See Table 3.)

Table 3: Number and percentage of all children under six, and poverty rate, by parental educational level and combined parental employment status, 1990

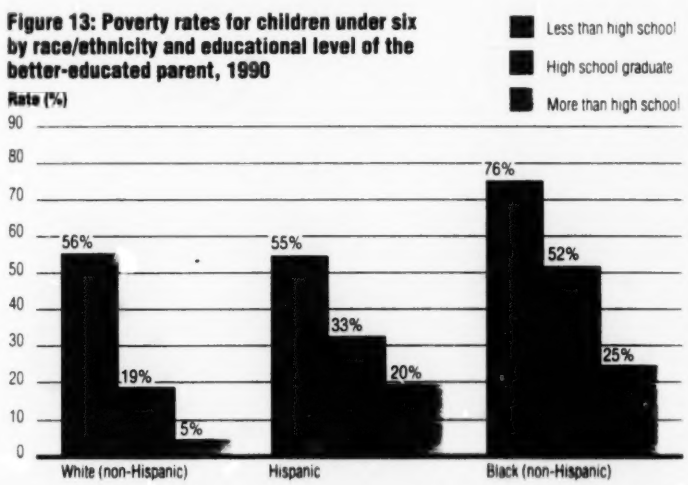
Educational level of better-educated parent and parental employment status	All children under six		Poverty rate
	Number (in thousands)	%	%
Less than high school	**3,623**	**100**	**60**
One full-time job or more	1,294	36	32
Less than one full-time job	910	25	67
Not employed	1,419	39	82
High school graduate	**8,120**	**100**	**27**
One full-time job or more	5,611	69	12
Less than one full-time job	1,514	19	52
Not employed	995	12	75
More than high school	**11,194**	**100**	**8**
One full-time job or more	9,988	89	3
Less than one full-time job	885	8	41
Not employed	321	3	73

Note: Numbers do not add to 22.9 million (all children under six) because of missing data

Minority children under six are more likely to be poor than white children, whatever the educational level of their parents. This disparity is most pronounced for non-Hispanic black children.

Among children under six whose better-educated parent had not graduated from high school, poverty rates in 1990 were similar for whites and Hispanics—56 percent and 55 percent, respectively—but much higher for blacks, at 76 percent. Among children with at least one high-school-educated parent, poverty remained highest by far for non-Hispanic black children, at 52 percent. This was virtually the same level experienced by white and Hispanic children whose better-educated parent had *less* than a high school education. Among children under six whose better-educated parent had completed education beyond high school, non-Hispanic black children again had the highest poverty rate, at 25 percent. (See Figure 13).

Figure 13: Poverty rates for children under six by race/ethnicity and educational level of the better-educated parent, 1990



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